

Citizen Concerns From the FY 2005 Budget Public Hearings

April 19, 2004:

Harry Thomas — The City could avoid paying double time to refuse collection crews on Memorial Day by having them work overtime on the following Wednesday instead.

Refuse collection crews will not be working on Memorial Day, so they will not be paid double time.

James Marrinan and David Thomas — The real property tax rate should be lowered because tax bills are increasing too rapidly. Institute a circuit breaker program. Stretch out capital improvements to cover any revenue loss.

Real property values are increasing at a rapid pace, but there are policies in place that ease the burden on the property owner. Assessment increases are phased in over three years. In other words, homeowners whose homes were just reassessed will not pay tax on the current value of their homes until fiscal year 2007. Additionally, in most cases, a homeowner's tax bill may not increase by more than ten percent each year. With regard to establishing a circuit breaker program that would cap property tax for lower income homeowners, the state already has such a program in place for all Maryland residents who qualify. The Mayor and Council will review the tax rate as part of the upcoming worksessions.

James Marrinan — There should be a public accounting of the costs related to the parking garages and the relocation of Town Center. These costs should be included in the debt ratios.

The budget message states the expected costs as they stood when the budget book went to print, and the adopted budget will reflect updated numbers. The cost for the public improvements portion (sidewalks, streets, etc.) of the Town Center project, because it was known at the time, is included in the debt projections and ratios shown in the budget book. The impact of the parking garage debt on the debt affordability measures is now available and will be reflected in future calculations.

Ted Reuther — FY 2006 CIP funding for the Community Gym Contribution should be shifted forward to FY 2005. If not, there should be some assurance that the delay will not have an adverse effect on the project.

Department of Recreation and Parks staff has been in contact with MCPS. MCPS will not require the disbursement of funds until July 2005. Therefore, no adjustment is needed to the funding schedule.

Ted Reuther — The CIP funding for citywide noise studies should address abatement technologies and methods rather than just the noise levels.

The scope of work for the selected consultant includes the following tasks: 1) Recommend how to develop a long-term monitoring program. This program would include timeframes outlining when areas would be reevaluated based on whether or not abatement measures were taken; 2) Recommend criteria for new residential construction, with a focus on noise criteria and mitigation measures suitable to multi-family residential construction along transportation corridors (Rockville Pike corridor, rail lines, etc.).

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April 19, 2004, continued:

Ted Reuther — The CIP funding for College Gardens Park (SWM) should be advanced from FY 2006 to FY 2005 in order to allow the College Gardens Civic Association to apply for a “Grand Challenge Grant.”

Staff has finalized its recommendations to the Mayor and Council for hiring a consultant, Biohabitat, to consider Low Impact Design (LID) techniques within the College Gardens community. Staff anticipates Mayor and Council award on May 10, 2004 allowing the study to begin in mid June. This study includes evaluating the potential pollution sources and restoration opportunities within the community; identifying LID options and considering feasibility; establishing evaluation criteria for this sub-watershed; evaluating LID options; and developing recommendations for LID implementation. Additionally, two workshops will be conducted on LID techniques, such as rain barrels and rain gardens. This study will take one year. It is premature to seek additional grant funding at this time. The Challenge Grant is an EPA program that is made available annually. Staff recommends completing the study to establish what types of LID practices will be pursued and to gauge the level of involvement and commitment of individual residents, commercial properties, and the condominium associations. Additionally, during the course of the study to evaluate LID techniques, the community will be implementing LID practices funded through the \$30,800 joint grant that was awarded in 2003.

Burgundy Estates Civic Association — The City should assist Burgundy Estates in seeking a reduction to the speed limit on Norbeck Road.

Norbeck Road is a State road; therefore, the Civic Association would need to petition the State and the State would have to determine if a speed limit reduction is appropriate.

Burgundy Estates Civic Association — Burgundy Estates should be included in the City’s noise study, and a sound wall should be built on Norbeck Road.

The scope of work for the selected consultant includes the following tasks: 1) Propose methodology for ranking and prioritizing areas of study for noise issues and objective criteria. Noise issues are of particular concern in the 1-270 corridor, MD 355 corridor, Gude Drive (west), and Veirs Mill Road/Route 28 corridor; 2) Identify, evaluate, and compare a range of options for addressing noise levels in specific problem areas, including, but not limited to, building envelope and window treatments, noise walls, berms, alternative road paving materials and roadway designs, landscaping, etc. Compare effectiveness relative to cost, environmental impact, aesthetics, impact on adjacent communities, and multiple benefits.

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April 19, 2004, continued:

Burgundy Estates Civic Association — The City should address the worsening drainage problem on Denham Road. Will any of the Baltimore/Stonestreet CIP funding be used to find a resolution to the problem? Will the construction on Baltimore Road make the problem worse?

The City has explained to the neighborhood's civic association that their drainage problems are not related to street or public land runoff. Each house has a driveway apron that slopes out towards the street, and Denham and Woodburn have public storm drain pipes and inlets to collect street runoff. The drainage problems are the result of a high groundwater table combined with lots that are lower than the surrounding streets in most places. The original developer graded the lots so that runoff from most rooftops, driveways, and yards drains towards the back property lines and flows down the block of lots towards Edmonston. Many of the backyards are relatively flat which causes overland flow to spread out further into the yards. There is a short section of private storm drainpipe and a yard inlet that collects the runoff about three houses before Edmonston. The residents and the Department of Public Works (DPW) as far back as 1977 have investigated these problems - this is not a new or worsening problem. The past two years have been among the wettest on record, so the residents' problems are probably more noticeable now than they were five years ago during the drought. These drainage problems are private, not public. Any solution that better funnels the runoff through the backyards will need to be a cooperative effort between the homeowners. The City does not have a public storm drain easement in these lots, and therefore has no standing to pursue drainage improvements. The neighbors will need to grant easements to each other to install a private, shared drainage system, such as a storm drainpipe extension or a more defined swale. Otherwise, homeowners have the right to collect their runoff in a sump pump and obtain permits from DPW to discharge to the street either at the curb or into the public storm drainpipe. DPW will work with residents who wish to collect their runoff in a sump pump to determine the proper discharge location and method. The homeowner would pay for the cost of bringing the runoff to the street and any connections/repairs to the public paving or storm drain.

Neither the Baltimore Road nor Stonestreet CIP projects are intended to address this private drainage problem. The City does not currently fund private drainage improvements. The Baltimore Road intersection improvement project will install curb and gutter along the block between Denham and Woodburn, which will probably have no effect. (Baltimore Road already has storm drain inlets and pipe - if anything, the curb and gutter will keep more runoff from entering lots on Baltimore Road.)

The City could offer (with Mayor and Council approval) to design and install a drainage system along the back property line for the whole block of lots, IF all affected residents agreed to granting a private storm drain easement AND IF the residents agree to pay a Special Assessment to the City over a 10-year period for the cost of construction.

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April 19, 2004, continued:

George Northway — The chart in the budget book that compares WSSC's rates to the City's is misleading because it assumes that the average home uses 250 gallons per day. In fact, the average is only 100 gallons, and WSSC's rates are based on usage – rates increase as usage increases. The chart should assume usage of 100 gallons per day to provide a better rate comparison.

Usage per household is well beyond 100 gallons per day. According to WSSC, typical usage per person is 70 gallons per day. The average household size in Rockville is 2.7 people (down from 3.6 in 1970). Therefore, using WSSC's figure, average household usage in Rockville is about 190 gallons per day. At that level of usage, the City's combined water and sewer rate is still lower than WSSC's, and the City does not charge the \$11 account maintenance fee each quarter. Nonetheless, staff will consider revising the chart and adding an explanatory footnote in next year's budget book.

George Northway — The budget book should include future cash flow expectations for the refuse fund. Also, the City should require residents to leave their trashcans on the curb and purchase trucks that enable the crew size to be reduced to one person.

Prior to budget approval, the Finance Department prepares six-year cash flow projections for each enterprise fund and provides them to the mayor and council. Including these projections in the budget book would add pages and complexity to an already large and complex document. But the projections are available upon request from the Finance Department. Regarding the recommendation to purchase new trucks, the city has hired a consultant to conduct a refuse study that will examine service improvements and efficiency enhancements like the one suggested for the Mayor and Council to consider and act upon.

William Meyer — What is the projected cost savings from water meter pilot program?

It is expected that the water meter initiative will enhance revenues rather than reduce costs. Older meters tend to give readings below the amount of water actually used, and as a result the customer pays less than is appropriate. It is unknown at this point how much more revenue will result from the installation of new meters. This will be calculated at the conclusion of the pilot program, and then a determination will be made about whether it is appropriate to continue with the program.

William Meyer — How is the City progressing on collecting from the refuse accounts that were not billed?

Payment arrangements have been made for sixty percent of the refuse accounts that had not been billed. For those who have not made arrangements, a second notice will be sent in May.

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April 19, 2004, continued:

William Meyer — What criteria were used to set funding levels for outside agencies? How does the City ensure that the funds are being spent appropriately?

All interested Caregiver agencies must participate in the City's annual competitive grant application process. They must submit a written grant application, which includes a narrative description of the need and services to be provided, an annual operating budget, and outcome measures. The budget form requests a line item breakdown of program revenues by source and of program expenses, including personnel, occupancy costs, consumable supplies, travel, etc. Administrative overhead costs must be broken out separately. For the Caregiver Agencies, most personnel costs are directly related to the provision of client services (e.g., shelter aides, teachers, tutors, case managers, home health care aides.)

Along with their grant application, each Caregiver agency is required to submit their most recent audit or financial statement and most recent IRS Form 990. As a condition of funding, each agency is required to submit quarterly reports on the number of clients they served, including the number of Rockville residents served. They also are required to develop outcome measures and submit semi-annual reports on these measures. City staff, in conjunction with members of the City's Human Services Advisory Commission, also conducts periodic site visits to each grantee.

For other agencies, the City has different means of oversight. In some cases, the City has board members or staff liaisons that provide the necessary monitoring. In other cases, contractual obligations with agencies require them to report their financial information.

William Meyer — The City is making a large investment in Rockville Economic Development Incorporated? What will the City receive for its money?

This information is detailed on page 3 and 6 in the General Section of the operating budget (the tab marked General Government).

William Meyer — Why isn't the city striving for a recycling percentage higher than 50 percent?

In FY 2003, 36 percent of the City's waste was recycled. Establishing a goal of 50 percent for FY 2005 appears to be reasonable. In fact, Montgomery County has established the same goal for its recycling program.

William Meyer — According to the Sewage Disposal budget, costs to Blue Plains are down. Why is there an increase in the sewer rate?

The sewer rate is based on assumptions about all operating, capital, and debt service expenditures over a six-year period. Although WSSC's FY 2005 estimate for the City's contribution to operating expenditures for Blue Plains decreased slightly from the prior year, capital costs continue to be high.

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April 19, 2004, continued:

William Meyer — Does the Traffic and Transportation budget include funding for converting Pepco power lines to underground?

No funding is included in the FY 2005 budget for this item; this would be the responsibility of Pepco.

Judge Charles Cohen — The city should not have parking meters at the library. Library parking should be free. There should be more parking meters for commuters.

The City has installed parking meters for commuters to the extent possible. The Mayor and Council will determine whether free parking will be set aside for the library in the Town Center development.

May 3, 2004:

Alliance of Rockville Citizens (ARC) — We object to the short time given for review; insufficient time period from when the budget book is available to when the public hearings begin.

For FY 2002, the budget was presented and available on April 9; the first public hearing was on April 30; and the second public hearing was on May 7. For FY 2003, the budget was presented and available on April 8; the first public hearing was on April 29; and the second public hearing was on May 6. For FY 2004, the budget was presented and available on April 14; the first public hearing was on April 28; and the second public hearing was on May 5. This year, the budget was presented on April 12; the first public hearing was on April 19; and the second public hearing was on May 3. The first public hearing could not be scheduled for April 26 because this was a general session.

Alliance of Rockville Citizens (ARC) — We note that the constant yield was not mentioned. Residential property taxes are rising too fast. The State has a “circuit breaker” program to limit property taxes. There also is a separate Montgomery County “circuit breaker” that applies only to the County portion of the property tax and is administered by the State; this also applies to Rockville residents. Rockville does not have its own property tax circuit breaker on its property tax. We suggest you consider it.

Rockville residents may take advantage of the State circuit breaker program. The Mayor and Council will discuss the tax rate at the upcoming budget worksessions.

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May 3, 2004, continued:

Alliance of Rockville Citizens (ARC) — We encourage cost-cutting efforts being considered by using “open Source” computer software. The IT department has expanded rapidly in recent years and led to increased efficiency in many City activities. Cooperation with other communities in the development of appropriate software for municipal governments can lead to increased cost savings and reduction of risks associated with the UCITA law passed two years ago in Maryland.

The City's IT Department is expanding the use of the Linux open source operating system on servers where possible. The City currently uses Linux on four servers and expects the number to grow in the coming years. Several IT staff have received Linux training in the past 12 months. Staff continues to explore opportunities to deploy open source application software. For example, the City's budgeting system is an "open source" application provided by the City of Gaithersburg at no cost. Rockville staff customized the software to fit the City's needs and has used it for the past four years.

Alliance of Rockville Citizens (ARC) — It seems unfair to cut the already low allocations to some outside agencies. For example, funding for the Chase Partnership Shelter has been \$23,000 for the last two years and is now cut to \$18,000. The total budget for the Chase Shelter is \$400,000 making the City contribution less than 5 percent.

Chase Shelter provided only 301 bed nights to 4 Rockville residents in FY 2003 and only one Rockville resident was served in the first half of FY 2004. Consequently, a funding reduction of \$5,000 was recommended, reflecting the low number of Rockville residents served and reflecting the City's interest in moving towards more equitable funding among the shelter programs. Similar reductions were recommended for two other shelter programs, Helping Hands Shelter and Dorothy Day Place. A funding increase was recommended for the Men's Emergency Shelter, which provided 925 bed nights to 70 Rockville residents in FY 2003; with this increase, the Men's Emergency Shelter would receive \$11,500 in FY 2005.

Alliance of Rockville Citizens (ARC) and Phyllis Marcuccio — Town Center redevelopment uses a very large fraction of City resources in manpower and money. We note that on pages 18, 19, and 20 of the General Government CIP, many of the costs are given. Although, much of the financial activity associated with the redevelopment is not legally required to be in the budget, lack of explanations leads to rumor and speculation. If the City would show applicable costs, expenses, expected bonding, and a timeline in one separate chapter of the budget, the average citizen would more easily understand the redevelopment program. Please provide past, current, and future expenses and obligations associated with the redevelopment of Town Center. The City may not use a cost accounting system, but where are the budget entries for staff and resources expended by the City to make Town Center happen? How is staff time to be recovered?

(These two questions are grouped here because they both concern the cost of the Town Center project.) All of the financial activity related to the Town Center project that involves City funding of any kind is included in the budget document, primarily on the

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May 3, 2004, continued:

CIP pages mentioned above. In addition, the City commitment of funds for the Town Center project is described on the first page of the budget message. Because the timeline, debt requirements, outside funding commitments, and the estimates for construction costs for a project of this size and complexity change over time, the budget document itself is not the best vehicle for providing comprehensive information to Rockville residents about this project. The website and Rockville Reports are better forums for providing the requested information.

Staff that is hired to work exclusively on the Town Square project will be charged to the Town Center – Redevelopment project. We are not currently collecting information on the use of existing staff resources devoted to this high priority project; the City only collects such information for the purpose of grant reimbursement.

Alliance of Rockville Citizens (ARC) — In 1993, the fraction of property taxes from residences became greater than the fraction from commercial properties. The discrepancy has now grown to the point where residential property owners pay over 60 percent of the property taxes. The problem is that residences are reassessed every three years and commercial properties are not. The City should act to ensure a fair assessment of commercial properties on a timely basis.

Commercial properties also are reassessed on a three-year cycle and assessed value increases are not limited to 10 percent per year, as they are for existing homeowners. The City receives advice on the appropriateness of commercial assessed values and other assessment issues from a consultant under a joint agreement with the City of Gaithersburg. With the help of this consultant, the City filed appeals in December of 2002 on the property tax reassessments of six commercial properties that had sold in the last few years. As a result of these appeals, the assessed value was increased for five of the six properties. We will continue these efforts in order to assure that commercial properties are properly assessed.

Alliance of Rockville Citizens (ARC) — We question the value received for the \$386,000 allocated to Rockville Economic Development, Inc.

The Mayor and Council have contracted with Rockville Economic Development, Inc. (REDI), formerly called the Greater Rockville Partnership, for many years to perform economic development for the City. The services provided by REDI are reviewed by the Mayor and Council through their frequent interactions with this organization. Information is detailed on page 3 and 6 in the General Section of the operating budget (the tab marked General Government). In addition, the City's Web site has a link to Greater Rockville Partnership (www.rockvillemd.gov, click on the "City Business" tab, look under Economic Development for Greater Rockville Partnership). The City's link will be updated with the new Web site for REDI as it becomes available.

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May 3, 2004, continued:

Alliance of Rockville Citizens (ARC) — We understand that the refuse collection service is being evaluated. Increased labor costs and tipping fees cause the price of this service to continually increase. There may be ways to make the system more efficient, but the service is widely appreciated as it is. Imposition of curb and only once a week pickups may be more effective, but some sort of referendum on major changes might be politically advisable before any changes are made.

This would be a policy decision that would be better made after the completion of the upcoming study.

Elderly Ministries — Please consider funding the additional \$9,500 requested. \$6,000 of the additional funding represents the increase in the cost per hour (\$17 to \$19.50 per hour) for the home care provider contract. The remainder allows for new clients who are currently on the waiting list.

The Mayor and Council will consider all funding requests during the upcoming worksessions.

Health Program — Please consider funding the \$10,000 requested for this new program. Funding will help 40 students in the Twinbrook area who are uninsured or under-insured to get service from Mobile Med.

The Mayor and Council will consider all funding requests during the upcoming worksessions.

Miguel Ramos — Please consider bringing advanced English classes to Twinbrook. (No funding request was specified).

The Mayor and Council will consider all funding requests during the upcoming worksessions.

Patricia Woodward — Requested information about the Historic Designation Program; a list of the 464 targeted properties at the inception of the program and an accounting of what has been done so far.

The Department of Community Planning and Development Service is in the process of compiling the requested information. Copies will be forwarded to the Mayor and Council and Ms. Woodward when completed.

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May 3, 2004, continued:

Patricia Woodward — How much money has been given to each non-profit agency? How much did each ask for? What is the breakdown of funding for personnel versus operating? Are financial reports available for each agency? What accountability procedures are in place to be sure funding is being used for the requested purpose?

All interested Caregiver agencies must participate in the City's annual competitive grant application process. They must submit a written grant application, which includes a narrative description of the need and services to be provided, an annual operating budget, and outcome measures. The budget form requests a line item breakdown of program revenues by source and of program expenses, including personnel, occupancy costs, consumable supplies, travel, etc. Administrative overhead costs must be broken out separately. For the Caregiver Agencies, most personnel costs are directly related to the provision of client services (e.g., shelter aides, teachers, tutors, case managers, home health care aides.)

Along with their grant application, each Caregiver agency is required to submit their most recent audit or financial statement and most recent IRS Form 990. As a condition of funding, each agency is required to submit quarterly reports on the number of clients they served, including the number of Rockville residents served. They also are required to develop outcome measures and submit semi-annual reports on these measures. City staff, in conjunction with members of the City's Human Services Advisory Commission, also conducts periodic site visits to each grantee.

For other agencies, the City has different means of oversight. In some cases, the City has board members or staff liaisons that provide the necessary monitoring. In other cases, contractual obligations with agencies require them to report their financial information.

Brigitta Mullican — The City's FTEs increased from 418 in 1990 to 485 in 2000, a rate of 16 percent. Were these positions utilized to the best return of our tax dollars? How much of the City's resources are spent on historic preservation? How much loss revenue is there with all the tax credits given? If the State of Maryland and Montgomery County are having shortfalls, what is the City doing to prepare for the decreases? I am very concerned about the ½ million-dollar shortfall for the dumping fees, cash from customers, and over-spending of overtime and temporary hires.

Over a third of the increase in FTEs was the result of long-standing temporary positions being converted to permanent positions. Concerning historic preservation, there are presently three full time equivalents devoted to the initiative. Staff will prepare an estimate of the amount spent in this area. As for the other issues, the Mayor and Council will review all budget and position changes for the past several years and make decisions accordingly. The refuse study should address the concerns mentioned about the refuse operations. Management is looking at the reason for the budget overruns.

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May 3, 2004, continued:

Brigitta Mullican — In the eighties there were significant increases in the refuse fee. After 20 years, we continue to deal with the same issue. Are we covering the cost of the service and is there a more efficient method of dealing with refuse costs?

The upcoming refuse study should address this issue about the refuse operations.

Senior Citizens Commission — Please consider additional funding for the MPDU program (over the proposed \$6,500 level listed in the budget) expansion. Special consideration should be given for seniors. Current moderately priced housing regulations for the City need to be revisited. The so-called MPDU's are out of the range of affordable housing for seniors on fixed incomes and there are not enough available to make a difference in housing working families. What is the City going to do about it?

The \$6,500 is for a study and plan for the MPDU program. When the study is complete and recommendations have been received from the consultant, information will be presented to the Mayor and Council. Wording will be changed in the adopted version of the budget document to make it clearer that funding is for a study only.

Carter Hills HOA — The pool is adjacent to a stream bank that is eroding. The erosion problem will effect the pool in the community causing it to close is the problem is not addressed. The problem has been going on for 3-4 years. The HOA is requesting that the City do a survey and make corrections. Could this fall within the Watts Branch Stream initiative? Alternatively, the HOA is willing to deed the property and pool to the City.

A separate memorandum, dated May 5, 2004, has been prepared by the Department of Public Works and will be forwarded to the Mayor and Council and the Carter Hills HOA.

Phyllis Marcuccio — Our property taxes are going up at a rate that suggests in seven years taxes will double. Are you prepared with budget plans for future years that challenge this issue? Is there a financial planning effort underway by the City? Two of the Mayor and Council's five goals speak to enhancing the quality of life for residents of Rockville and strengthening their neighborhoods. How are you going to achieve these goals if people of modest means or fixed incomes can't afford to live here?

While Rockville homeowners are facing significant increases in their property tax bills, the rate of increase in the City's real property tax revenue indicates that the vast majority of Rockville homeowners' taxes are not increasing at the maximum allowable ten percent per year. The Mayor and Council will consider the tax rate during the upcoming budget worksessions.

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May 3, 2004, continued:

Harry Thomas — Please include the trolley/transportation for Town Center in the budget in FY 2004; services are needed during construction.

Funding is included in the FY 2005 budget for the Senior Center and Motor Vehicle Maintenance Divisions to support a Saturday shopping service for Town Center residents who cannot walk to another grocery store. The shuttle will provide door-to-door service for residents who request pickup in advance and will transport them to the Magruder's in College Plaza. There is no cost to users of the service. The FY 2005 allocation is \$10,000. Funding of \$4,000 is available in the Mayor and Council contingency account to provide shuttle services in FY 2004, if needed.

Harry Thomas — Please consider making Pepco power lines underground.

No funding is included in the FY 2005 budget for this item; this would be the responsibility of Pepco.

Harry Thomas — Please include additional funding in the forestry division budget for replacement of 400 trees.

Due to two drought years (2001 and 2002) followed by one of the wettest years in our region's history (2003, which caused a variety of disease problems), the Forestry Division is backlogged on removal and replacement of dead and hazardous trees.

The division requested a budget supplemental that was approved in the amount of \$20,000 for FY 2005. In addition, the department re-programmed existing "base budget" funds from a number of other divisions to add another \$20,000 to the Forestry maintenance budget. With these additional funds the division will be in an improved position to catch up with the workload.

Harry Thomas — Please include additional funding for refuse service.

The City is currently conducting a refuse study to evaluate the services and operations of the refuse and recycling functions.